

SMETA Corrective Action Plan Report (CAPR)

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

Sedex company reference	ZC421242790	Auditor company name	BUREAU VERITAS CPS - ASIA
Date of audit	2024-12-13	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety		

Site details

Sedex site reference	ZS421298532	Site name	Shenzhen Xinruizhan Science and Technology Company Limited
Business name	Shenzhen Xinruizhan Science and Technology Company Limited	Site address	518000 Factory of 3/F, Building 2, Zone C1, Luoshan Industrial Zone, Shanxia Community, Pinghu Street, Longgang District, Shenzhen City, Guangdong Province, China, 深圳, CN
Site phone	13798179387	Site email	charlence3@hotmail.com

Audit parameters

Time in and out	Day 1		
	In	08:00	
	Out	16:00	
Audit type	Periodic		
Was the audit announced?	Announced		
Was the Sedex SAQ available for review?	Yes		
Who signed and agreed CAPR?	Yin Xiaotao / HR Supervisor		
Any conflicting information SAQ/Pre-Audit Info	No		
Is further information available?	No		

Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No union representatives in the factory.		
Reason for absence during the audit	No union representatives in the factory.		
Reason for absence at the closing meeting	No union representatives in the factory.		

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

Lead auditor	Jacky Ren	APSCA Number	21704680
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Additional auditor

Date of declaration	2024-12-13
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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Yin Xiaotao
Title	HR Supervisor
Date of declaration	2024-12-13

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	§1	NC ZAF600733482
	3.H Where identified as necessary to reduce r...	§2	NC ZAF-
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§3	NC ZAF600733483
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§4	NC ZAF600733484

Local law issues

S1	根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。 In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.
S2	根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。 In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.
S3	根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。 In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.
S4	根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed

Findings: non-compliances

ZAF600733482

Non-compliance

Due 2023-12-30

Code area

3 Working conditions are safe and hygienic

Status

Closed (2024-12-13)*

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Issue title

232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect

Verification method

Desktop audit

Description

在工厂内储存和使用的化学品都有张贴完整的化学品标签。
All chemicals stored or being used in the factory were posted with labels.

Area of non-compliance/non-conformance

Local law

Description (carried over)

审核员发现工厂生产车间1/1个正在使用的盛装机油的容器没有张贴内容标签。 It was noted that 1 out of 1 machine oil container being used in the workshop was not posted with content label.

Corrective and preventative actions

NC Closed.

Corrective and preventative actions (carried over)

建议所有在工厂内储存和使用的化学品都有张贴标签, 标签的内容要完整。 It is recommended that management adopt practices and controls to ensure that all chemicals stored or being used in the factory is posted with labels.

Local law reference

根据《工作场所安全使用化学品规定》第14条: (1)使用单位购进的化学品需要转移或分装到其他容器时, 应标明其内容。对于危险化学品, 在转移或分装后的容器上应贴安全标签; (2)盛装危险化学品的容器在未净化处理前, 不得更换原安全标签。 In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

Explanation of difference in resolution time or verification method from the SMETA issue title recommendation

在工厂内储存和使用的化学品都有张贴完整的化学品标签。
All chemicals stored or being used in the factory were posted with labels.

Evidence

[Chemical safety label.JPG](#)

* PDF generated at 07:09 (UTC) on 13 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600733483

Non-compliance

Due 2024-01-29

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.

Time given to resolve

60 days

Issue title

423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic

Verification method

Follow up audit

Description

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年11月社会保险缴费单据显示工厂仅为17/43名员工提供了养老保险,工伤保险,失业保险,医疗保险(包含生育保险)。备注:工厂有为42名员工提供商业保险,有效期为2024年11月1日至2025年10月31日。It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that 17 out of 43 employees were provided with pension insurance, accident insurance, unemployment insurance, medical insurance (included maternity insurance) in November 2024. Also, the factory provided commercial accident insurance for 42 employees, valid from November 1, 2024 to October 31, 2025.

Area of non-compliance/non-conformance

Local law

Description (carried over)

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2023年10月社会保险缴费单据显示工厂仅为21/35名员工提供了养老,医疗,失业,生育和工伤保险。另外,工厂为37人购买了商业保险,有效期从2023年8月3日到2024年8月2日。It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 21 out of 35 employees were provided with pension, medical, unemployment, maternity and accident insurance in October 2023. Moreover, factory had provided commercial insurance to 37 employees with valid date from August 3, 2023 to August 2, 2024.

Corrective and preventative actions

建议工厂为员工提供所有法定的社会保险福利。It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

Corrective and preventative actions (carried over)

建议工厂为员工提供所有法定的社会保险福利。It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

Local law reference

根据《中华人民共和国劳动法》第73条:劳动者在下列情形下,依法享受社会保险待遇:(一)退休;(二)患病、负伤;(三)因工伤残或者患职业病;(四)失业;(五)生育。劳动者死亡后,其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

Evidence

[Social insurance record.JPG](#)

* PDF generated at 07:09 (UTC) on 13 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600733484		Non-compliance	Due 2024-01-29
Code area	Status		
6 Working hours are not excessive	Open*		
Workplace requirement	Time given to resolve		
6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.	60 days		
Issue title	Verification method		
480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)	Follow up audit		
Description	Area of non-compliance/non-conformance		
根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工资工时记录中抽取30个样本(从2024年3月抽取10个，从2024年6月抽取10个，从最近工资发放月份2024年11月抽取10个)，发现有员工加班时间超出了法定标准，具体为： - 10 / 10名员工在2024年3月的加班时间为66小时，超过法规允许最大36小时的规定； - 10 / 10名员工在2024年6月的加班时间为62小时，超过法规允许最大36小时的规定； - 10 / 10名员工在2024年11月的加班时间为66小时，超过法规允许最大36小时的规定。 It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees’ time records (10 samples from March 2024, 10 samples from June 2024, 10 samples from the most recent paid month November 2024) yielded the following: • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 66 hours) in March 2024, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 62 hours) in June 2024, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 66 hours) in November 2024, which was not in compliance with the legal requirement.	Local law		
Description (carried over)			
根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工资工时记录中抽取30个样本(其中从最近工资发放月份2023年10月抽取10个，从2023年5月抽取10个，从2023年3月抽取10个)，发现有员工加班时间超出了法定标准，具体为：10/10名员工在2023年10月的加班时间为54小时，超过法规允许最大36小时的规定；10/10名员工在2023年5月的加班时间为56-58小时，超过法规允许最大36小时的规定；10/10名员工在2023年3月的加班时间为58-60小时，超过法规允许最大36小时的规定。 It was noted that sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees’ time records (10 samples from the most recent paid month October 2023, 10 samples from May 2023 and 10 samples from March 2023 respectively) yielded the following: •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 54 hours) in October 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 to 58 hours) in May 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 58 to 60 hours) in March 2023, which was not in compliance with the legal requirement.			
Corrective and preventative actions			
建议工厂确保员工的加班时间符合法律要求。 It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.			

Corrective and preventative actions (carried over)

建议工厂确保员工的加班时间符合法律要求。 It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

Local law reference

根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed

Evidence

[Attendance record.JPG](#)

* PDF generated at 07:09 (UTC) on 13 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Verification method

Desktop audit

Description

审核员发现工厂压合车间2/5名员工工作时接触到噪音没有佩戴工厂提供的耳塞。

Area of non-compliance/non-conformance

Local law

Base code

It was noted that 2 out of 5 employees working in processing workshop who were in contact with noise did not wear factory provided earplug during work.

Corrective and preventative actions

建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。
It is recommended that management adopt practices and controls to ensure that necessary personal protective equipment is provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.

Local law reference

根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。

In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.

Evidence

[Employee did not wear earplug.JPG](#)

* PDF generated at 07:09 (UTC) on 13 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Findings: good examples

No good examples

Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly	✔	✔	✔	✔
9. No harsh or inhumane treatment is allowed	✔	✔	✔	✔
10.A. Environment 2-Pillar	✔	✔	✔	✔

- ✖

Not addressed
- ⚠

Fundamental improvements required
- i

Some improvements recommended
- ✔

Robust management systems

Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances/ non-conformances.

Good practice examples should be pointed out at the closing meeting as well as discussing non-compliances/ non-conformances and corrective actions, Collaborative Action Required findings and the Management Systems Assessment.

Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex Members' E-learning Platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex Members' E-learning Platform](#) for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via the Sedex Platform or by Follow-up Audit.
5. Some NCs that cannot be closed off by "Desk-Top" review may need to be closed off via a "Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.

8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on Management Systems please refer to the Management Systems Workbooks.

Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the Base Code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions. Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

For Suppliers

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from “open” to “in progress”. Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

For Buyers

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

For Auditors

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



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